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State of Utah

DEPARTMENT OF NATURAL RESOURCES

Division of Oil, Gas & Mining

MICHAEL R. STYLER
Executive Director

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Outgoing
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September 15, 2010

Dave Shaver, Manager
Genwal Resources, Inc.
P.O. Box 910
East Carbon, Utah 84520-0910

Subject: Commencement of Midterm Review, Genwal Resources, Inc., Crandall Canyon Mine, C/015/0032, Task ID #3614

Dear Mr. Shaver:

In accordance with R645-303-211, the Division is required to review each active permit at the midpoint of the permit term, which is November 13, 2010 for the Crandall Canyon Mine. The Midterm Review for the Crandall Canyon Mine is now being conducted and will cover pertinent elements that have been selected for review based on the Division's Directive Adm-002. The items chosen for review encompass the following:

1. An AVS check to ensure that Ownership and Control information is current and correct.
2. A review of the plan to ensure that the requirements of all permit conditions, division orders, notice of violation abatement plans, and Permittee initiated plan changes are appropriately incorporated into the plan document, and that the plan has been updated to reflect changes in the Utah Coal Regulatory Program which have occurred subsequent to the last permit renewal.
3. A review of the applicable portions of the permit to ensure that the plan contains commitments for application of the best technology currently available (BTCA) to prevent additional contributions of suspended solids to stream flows outside of the permit area.
4. A review of the bond to ensure that it is in order and that the cost estimate is accurate and is escalated to the appropriate year dollars.

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5. The Division will conduct a technical site visit in conjunction with the assigned compliance inspector to document the status and effectiveness of operational, reclamation, and contemporaneous reclamation practices.

Once the review has been conducted, you will be notified of any outstanding issues that need to be corrected.

If you have any questions regarding these requirements or the Midterm Review please don't hesitate to call me at 801-538-5262.

Sincerely,

A handwritten signature in black ink, appearing to read 'J.D. Smith', written over a horizontal line.

James D. Smith
Permit Supervisor

JDS/sqs
cc: Price Field Office
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